Introduced by Assembly Member Chau

February 20, 2013

An act to amend Sections 53890, 53891, and 53892 of, and to repeal Sections 12463.3 and 53895.5 of, the Government Code, and to repeal Sections 33080, 33080.1, 33080.2, 33080.3, 33080.4, 33080.5, 33080.6, and 33080.7 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 569, as introduced, Chau. Redevelopment: reports.

Existing law requires the Controller to compile and publish annually reports of the financial transactions of each community redevelopment agency, as provided.

This bill would eliminate that requirement.

Existing law requires the officer of each local agency, who has charge of the financial records of the agency, to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 90 days of the close of each fiscal year, as specified. Existing law defines local agency, for purposes of these financial reports, to mean any city, county, district, and specified community redevelopment agencies.

This bill would exclude community redevelopment agencies from the definition of local agency, thereby eliminating the requirement that a community redevelopment agency furnish the Controller with the financial report. This bill would make related, conforming changes.

Existing law requires each redevelopment agency to submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body and to additionally present an

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annual report to the legislative body containing specified information. Existing law requires the Department of Housing and Community Development to compile and publish reports of the activities of redevelopment agencies, as provided.

This bill would repeal those provisions, and would repeal related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12463.3 of the Government Code is 2 repealed.
- 3 12463.3. On or before May 1 of each year, the Controller shall 4 compile and publish annually reports of the financial transactions
- of each community redevelopment agency created pursuant to
- 6 Division 24 (commencing with Section 33000) of the Health and
- 7 Safety Code. The Controller shall make the data available to the
- 8 Legislature and its agents upon request, on or before April 1 of
- each year. The Controller shall publish this information for each
- 10 project area of each redevelopment agency. The reports shall be
- 11 made in the time, form, and manner prescribed by the Controller,
- 12 after consultation with the Department of Housing and Community
- 13
- Development and the advisory committee created pursuant to 14 Section 12463.1.
- 15 SEC. 2. Section 53890 of the Government Code is amended 16 to read:
- 17 53890. As used in this article, "local agency" means any city,
- 18 county, and any district, and any community redevelopment agency
- 19 district required to furnish financial reports pursuant to Section 20 12463.1 or 12463.3.
- 21 SEC. 3. Section 53891 of the Government Code is amended 22 to read:
- 23 53891. The officer of each local agency who has charge of the
- 24 financial records shall furnish to the Controller a report of all the
- 25 financial transactions of the local agency during the next preceding
- 26 fiscal year. The report shall be furnished within 90 days after the
- 27 close of each fiscal year and shall be in the form required by the
- 28 Controller. If the report is filed in electronic format as prescribed
- 29 by the Controller, the report shall be furnished within 110 days

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after the close of each fiscal year. However, whenever a local agency files annual financial materials with the Office of Statewide Health Planning and Development or any successor thereto pursuant to Section 128735 of the Health and Safety Code, the audited report shall be furnished within 120 days after the close of each fiscal year. Further, whenever a community redevelopment agency files an annual report with the Controller pursuant to Section 33080 of the Health and Safety Code, the report shall be furnished within six months of the end of the agency's fiscal year.

The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

SEC. 4. Section 53892 of the Government Code is amended to read:

53892. The report shall state all of the following:

- (a) The aggregate amount of taxes levied and assessed against the taxable property in the local agency, which became due and payable during the next preceding fiscal year.
- (b) The aggregate amount of taxes levied and assessed against this property collected by or for the local agency during the fiscal year.
- (c) The aggregate income during the preceding fiscal year, a general statement of the sources of the income, and the amount received from each source.
- (d) The total expenditures made by administrative departments during the preceding fiscal year, a general statement of the purposes of the expenditures, and the amounts expended by each department.
- (e) The assessed valuation of all of the taxable property in the local agency as set forth on the assessment roll of the local agency equalized for the fiscal year, or, if the officers of the county in

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which the city or district is situated have collected for the city or district the general taxes levied by the city or district for the fiscal year, the assessed valuation of all taxable property in the city or district as set forth on the assessment rolls for the county equalized for the fiscal year.

- (f) The information required by Section 53892.2, as of the end of the fiscal year.
- (g) The approximate population at the close of the fiscal year and the population as shown by the last regular federal census.
 - (h) Other information that the Controller requires.
- (i) Any other matters necessary to complete and keep current the statistical information on assessments, revenues and taxation, collected and compiled by any Senate or Assembly committee on revenue and taxation.
- (j) In the case of cities, the information required by Section 53892.3.
- (k) In the case of community redevelopment agencies, the information required by subdivisions (a), (b), and (g) of Section 33080.1 of the Health and Safety Code. The Controller shall forward the information required pursuant to subdivision (c) of Section 33080.1 of the Health and Safety Code to the Department of Housing and Community Development for publication pursuant to Section 33080.6 of that code.
- SEC. 5. Section 53895.5 of the Government Code is repealed. 53895.5. (a) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:
- (1) One thousand dollars (\$1,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.
- (2) Two thousand five hundred dollars (\$2,500) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.
- (3) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at

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least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

- (b) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller in the second or more consecutive year shall forfeit to the state:
- (1) Two thousand dollars (\$2,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.
- (2) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.
- (3) Ten thousand dollars (\$10,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.
- (c) In the case of a community redevelopment agency that fails or refuses to make and file its report within 20 days after receipt of a written notice of the failure from the Controller in the third or more consecutive year, the Controller shall conduct or cause to be conducted an independent financial audit report consistent with the requirements of Section 33080.1 of the Health and Safety Code. The community redevelopment agency shall reimburse the Controller for the cost of complying with this subdivision. The community redevelopment agency shall not use any of the funds in the Low and Moderate Income Housing Fund to reimburse the Controller.
- (d) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.
- (2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.
- (e) A community redevelopment agency that makes a forfeiture or payment pursuant to this section shall still file the report required pursuant to Section 53891.
- 39 SEC. 6. Section 33080 of the Health and Safety Code is 40 repealed.

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33080. (a) Every redevelopment agency shall file with the Controller within six months of the end of the agency's fiscal year a copy of the report required by Section 33080.1. In addition, each redevelopment agency shall file with the department a copy of the audit report required by subdivision (a) of Section 33080.1. The reports shall be made in the time, format, and manner prescribed by the Controller after consultation with the department.

- (b) The redevelopment agency shall provide a copy of the report required by Section 33080.1, upon the written request of any person or any taxing agency. If the report does not include detailed information regarding administrative costs, professional services, or other expenditures, the person or taxing agency may request, and the redevelopment agency shall provide, that information. The person or taxing agency shall reimburse the redevelopment agency for all actual and reasonable costs incurred in connection with the provision of the requested information.
- SEC. 7. Section 33080.1 of the Health and Safety Code is repealed.
- 33080.1. Every redevelopment agency shall submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body within 30 days of receipt of that audit report. In addition, every redevelopment agency shall present an annual report to its legislative body within six months of the end of the agency's fiscal year. The annual report shall contain all of the following:
- (a) (1) An independent financial audit report for the previous fiscal year. "Audit report" means an examination of, and opinion on, the financial statements of the agency which present the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low and Moderate Income Housing Fund pursuant to Section 33334.3. This audit shall be conducted by a certified public accountant or public accountant, licensed by the State of California, in accordance with Government Auditing Standards adopted by the Comptroller General of the United States. The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 33080.3 and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus in the Low and Moderate

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1 Income Housing Fund as defined in subdivision (g) of Section 2 33334.12.

- (2) However, the legislative body may elect to omit from inclusion in the audit report any distinct activity of the agency that is funded exclusively by the federal government and that is subject to audit by the federal government.
- (b) A fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5.
- (c) A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7.
- (d) A description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.
- (e) A list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.
- (f) A description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.
- (g) A list of the fiscal years that the agency expects each of the following time limits to expire:
- (1) The time limit for the commencement for eminent domain proceedings to acquire property within the project area.
- (2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project.
- (3) The time limit for the effectiveness of the redevelopment plan.
- (4) The time limit to repay indebtedness with the proceeds of property taxes.
- (h) Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.
- 37 SEC. 8. Section 33080.2 of the Health and Safety Code is repealed.
- 39 33080.2. (a) When the agency presents the annual report to the legislative body pursuant to Section 33080.1, the agency shall

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inform the legislative body of any major audit violations of this part based on the independent financial audit report. The agency shall inform the legislative body that the failure to correct a major audit violation of this part may result in the filing of an action by the Attorney General pursuant to Section 33080.8.

- (b) The legislative body shall review any report submitted pursuant to Section 33080.1 and take any action it deems appropriate on that report no later than the first meeting of the legislative body occurring more than 21 days from the receipt of the report.
- SEC. 9. Section 33080.3 of the Health and Safety Code is repealed.

33080.3. The Controller shall develop and periodically revise the guidelines for the content of the report required by Section 33080.1. The Controller shall appoint an advisory committee to advise in the development of the guidelines. The advisory committee shall include representatives from among those persons nominated by the department, the Legislative Analyst, the California Society of Certified Public Accountants, the California Redevelopment Association, and any other authorities in the field that the Controller deems necessary and appropriate.

- SEC. 10. Section 33080.4 of the Health and Safety Code is repealed.
- 33080.4. (a) For the purposes of compliance with subdivision (c) of Section 33080.1, the description of the agency's activities shall contain the following information regardless of whether each activity is funded exclusively by the state or federal government, for each project area and for the agency overall:
- (1) Pursuant to Section 33413, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that were displaced or moved from their dwelling units as part of a redevelopment project of the agency during the previous fiscal year.
- (2) Pursuant to Section 33413.5, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that the agency estimates will be displaced or will move from their dwellings as part of a redevelopment project of the agency during the present

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fiscal year and the date of adoption of a replacement housing plan for each project area subject to Section 33413.5.

- (3) The total number of dwelling units housing very low income households, other lower income households, and persons and families of moderate income, respectively, which have been destroyed or removed from the low- or moderate-income housing market during the previous fiscal year as part of a redevelopment project of the agency, specifying the number of those units which are not subject to Section 33413.
- (4) The total numbers of agency-assisted dwelling units which were constructed, rehabilitated, acquired, or subsidized during the previous fiscal year for occupancy at an affordable housing cost by elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, specifying those units which are not currently so occupied, those units which have replaced units destroyed or removed pursuant to subdivision (a) of Section 33413, and the length of time any agency-assisted units are required to remain available at affordable costs.
- (5) The total numbers of new or rehabilitated units subject to paragraph (2) of subdivision (b) of Section 33413, including separate subtotals of the number originally affordable to and currently occupied by, elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, and the length of time these units are required to remain available at affordable costs.
- (6) The status and use of the Low and Moderate Income Housing Fund created pursuant to Section 33334.3, including information on the use of this fund for very low income households, other lower income households, and persons and families of moderate income, respectively. If the Low and Moderate Income Housing Fund is used to subsidize the cost of onsite or offsite improvements, then the description of the agency's activities shall include the number of housing units affordable to persons and families of low or moderate income which have been directly benefited by the onsite or offsite improvements.

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(7) A compilation of the annual reports obtained by the agency under Section 33418 including identification of the number of units occupied by persons and families of moderate income, other lower income households, and very low income households, respectively, and identification of projects in violation of this part or any agreements in relation to affordable units.

- (8) The total amount of funds expended for planning and general administrative costs as defined in subdivisions (d) and (e) of Section 33334.3.
- (9) Any other information which the agency believes useful to explain its housing programs, including, but not limited to, housing for persons and families of other than low and moderate income.
- (10) The total number of dwelling units for very low income households, other lower income households, and persons and families of moderate income to be constructed under the terms of an executed agreement or contract and the name and execution date of the agreement or contract. These units may only be reported for a period of two years from the execution date of the agreement or contract.
- (11) The date and amount of all deposits and withdrawals of moneys deposited to and withdrawn from the Low and Moderate Income Housing Fund.
 - (b) As used in this section:
- (1) "Elderly," has the same meaning as specified in Section 50067.
- (2) "Persons and families of moderate income," has the same meaning as specified in subdivision (b) of Section 50093.
- (3) "Other lower income households," has the same meaning as "lower income households" as specified in Section 50079.5, exclusive of very low income households.
- (4) "Persons and families of low or moderate income," has the same meaning as specified in Section 50093.
- (5) "Very low income households," has the same meaning as specified in Section 50105.
- (c) Costs associated with preparing the report required by this section may be paid with moneys from the Low and Moderate Income Housing Fund.
- 38 SEC. 11. Section 33080.5 of the Health and Safety Code is repealed.

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33080.5. For the purposes of compliance with subdivision (b) of Section 33080.1, the fiscal statement shall contain the following information:

- (a) The amount of outstanding indebtedness of the agency and each project area.
- (b) The amount of tax increment property tax revenues generated in the agency and in each project area.
- (c) The amount of tax increment revenues paid to, or spent on behalf of, a taxing agency, other than a school or community college district, pursuant to subdivision (b) of Section 33401 or Section 33676. Moneys expended on behalf of a taxing agency shall be itemized per each individual capital improvement.
- (d) The financial transactions report required pursuant to Section 53891 of the Government Code.
- (e) The amount allocated to school or community college districts pursuant to each of the following provisions: (1) Section 33401; (2) Section 33445; (3) Section 33445.5; (4) paragraph (2) of subdivision (a) of Section 33676; and (5) Section 33681.
- (f) The amount of existing indebtedness, as defined in Section 33682, and the total amount of payments required to be paid on existing indebtedness for that fiscal year.
- (g) Any other fiscal information which the agency believes useful to describe its programs.
- SEC. 12. Section 33080.6 of the Health and Safety Code is repealed.

33080.6. On or before May 1 of each year, the department shall compile and publish reports of the activities of redevelopment agencies for the previous fiscal year, based on the information reported pursuant to subdivision (c) of Section 33080.1 and reporting the types of findings made by agencies pursuant to paragraph (1), (2), or (3) of subdivision (a) of Section 33334.2, including the date of the findings. The department's compilation shall also report on the project area mergers reported pursuant to Section 33488. The department shall publish this information for each project area of each redevelopment agency. These reports may also contain the biennial review of relocation assistance required by Section 50460. The first report published pursuant to this section shall be for the 1984–85 fiscal year. For fiscal year 1987–88 and succeeding fiscal years, the report shall contain a list

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of those project areas which are not subject to the requirements of
Section 33413.

The department shall send a copy of the executive summary of its report to each redevelopment agency for which information was reported pursuant to Section 33080.1 for the fiscal year covered by the report. The department shall send a copy of its report to each redevelopment agency that requests a copy.

SEC. 13. Section 33080.7 of the Health and Safety Code is repealed.

33080.7. For purposes of compliance with subdivision (c) of Section 33080.1 and in addition to the requirements of Section 33080.4, the description of the agency's activities shall identify the amount of excess surplus, as defined in Section 33334.10, which has accumulated in the agency's Low and Moderate Income Housing Fund. Of the total excess surplus, the description shall also identify the amount that has accrued to the Low and Moderate Income Housing Fund during each fiscal year. This component of the annual report shall also include any plan required to be reported by subdivision (e) of Section 33334.10.